



Revised November 2013

FINANCE COMMITTEE CHARTER

I. PURPOSE

The purpose of the Finance Committee (“Committee”) of the Board of Directors (“Board”) of Avista Corporation (the “Company”) is to provide oversight and to ensure that management has in place strategies, budgets, forecasts, and financial plans and programs to enable the Company to meet its goals and objectives. The Committee’s activities and recommendations shall include but are not limited to:

- Reviewing management’s qualitative and quantitative financial plans and objectives for both the short and long term.
- Approving strategies with appropriate action plans to help ensure financial objectives are met.
- Having in place a system to monitor progress toward financial objectives and take any necessary action.
- Overseeing and monitoring employee benefit plan investment performance and approving changes in investment policies, managers and strategies.
- Reviewing and approval of annual capital expenditure budget, including significant capital expenditures of material subsidiaries.

II. COMPOSITION

The Committee shall be comprised of three or more directors as determined by the Board. Members of the Committee shall be appointed to, and removed from, the Committee by the Board. The Chair of the Committee shall be appointed by the Board. All of the Committee members shall be independent directors (as determined by the Board).

III. MEETINGS

The Committee shall meet at least four times annually, and at such other times as the Chairman of the Committee shall determine. The committee may meet by telephone or video conference and may take action by unanimous written consent.

IV. RESPONSIBILITIES AND DUTIES

The Committee is charged by the Board with the responsibility to:

1. Review and recommend for approval:
 - Annually, the short and long-term budget, including capital expenditures and financial plans, and long-range forecast presented by the Company and consider if such plans meet the overall corporate objectives.

- Annually, the short and long-range operating and financial plans of material subsidiaries to help ensure that the Company meets its goals and objectives.
 - Financing and capital allocation plans for the Company and its material subsidiaries after reviewing with the CEO and/or CFO and/or Treasurer prior to submittal to the full Board for approval.
 - Dividend policy and management’s recommendations for common stock dividend payments.
 - Proposals and reports from management on strategic issues or trends in the industry related to financial matters.
 - Resolutions required for specific financing activities prior to submittal to the full Board, as appropriate.
 - The planning and financial processes to help ensure the goals and objectives of the Company are met.
2. Review and approve the annual capital budget for the Company, including significant investments in and significant capital expenditures for material subsidiaries.
 3. Maintain an awareness of the financial condition of the Company and its subsidiaries and their progress in achieving their goals and objectives.
 4. Oversee the investments in the Employee Retirement Plan, the Employee Investment and Stock Ownership Plan – 401(k), the Executive Deferral Compensation Plan, and the Voluntary Employee Benefit Association Trust. At least semi-annually, review investment balances and performance results of the plans and make adjustments to investment policies, managers and strategies, as appropriate. Approval of certain items as necessary (Refer to BPAC Accountability Matrix).
 5. Review annually:
 - The variables that can significantly impact financial performance.
 - Staff’s view of the probability of occurrence.
 - The risk management policies and insurance in place to mitigate potential impacts.
 6. Review and approve annually the authority of management to use swaps transactions for hedging or mitigating commercial risk, including the authority necessary for the Company to avail itself of the end-user exception to mandatory clearing otherwise required under the Dodd-Frank Act.
 7. Annually, perform a self-assessment relative to the Committee’s purpose, duties, and responsibilities outlined herein, review and assess this Charter, and submit to the Corporate Governance/Nominating Committee any recommended changes for review by the Corporate Governance/Nominating Committee. After such review by the Corporate Governance/ Nominating Committee, recommend any changes to the Charter to the full Board.
 8. The Committee will report regularly to the Board regarding the execution of its duties and responsibilities.